

lands & investments Dept. of State

MONTANA



Department of State Lands and Investments

BIENNIAL REPORT

For the Period Beginning
JULY 1, 1950 AND ENDING
JUNE 30, 1952

WESTERN MONTANA FACILITY
EASTERN MONTANA FACILITY

W. P. PILGERAM
Commissioner of State Lands and Investments

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MONTANA



Department of State Lands and Investments



BIENNIAL REPORT

For the Period Beginning
JULY 1, 1950 AND ENDING
JUNE 30, 1952



W. P. PILGERAM
Commissioner of State Lands and Investments

Montana
State Land Department
**STATE BOARD OF
 LAND COMMISSIONERS**

Hon. John W. Bonner, Governor, President of the Board
 Hon. Mary M. Condon, Superintendent of Public Instruction
 Hon. Sam W. Mitchell, Secretary of State
 Hon. Arnold H. Olsen, Attorney General



**OFFICERS AND PERSONNEL OF THE DEPARTMENT
 OF STATE LANDS AND INVESTMENTS**

W. P. PILGERAM

Commissioner of State Lands and Investments
 and Secretary to the Board

MARTHA M. LIEBERG	- - - - -	Secretary to Commissioner
C. A. LINDEBERG	- - - - -	Cashier
VINNIE M. WEGGENMAN	- - - - -	Assistant Cashier
MILDRED PHILLIPS	- - - - -	Second Assistant Cashier
MRS. MARY TUCKER	- - - - -	Clerk-Typist
MRS. IOLA MAHAN	- - - - -	File Clerk
CHRISTINE MARTIN	- - - - -	Lease Clerk
SIGNA BURRIS	- - - - -	Assistant Lease Clerk
EVA J. SMITH	- - - - -	Mineral Clerk
MARGARET BJORNEBY	- - - - -	Contract and Deed Clerk
JULIA T. JOHNSON	- - - - -	Bookkeeper and Pay Roll Clerk

FIELD DEPARTMENT

J. B. BOURASSA	- - - - -	Chief Field Agent
DAVID R. LAND	- - - - -	Deputy Field Agent
LEE S. NEILSEN, SR.	- - - - -	Deputy Field Agent
GEORGE FOWLIE, JR.	- - - - -	Deputy Field Agent
HARRY M. SEILER	- - - - -	Deputy Field Agent
IDA H. DUCICH	- -	Administrative Assistant to Chief Field Agent
JOHN OSBORNE	- - - - -	Assistant Secretary
GRACE WUERL	- - - - -	Second Assistant Secretary

FORESTRY DEPARTMENT

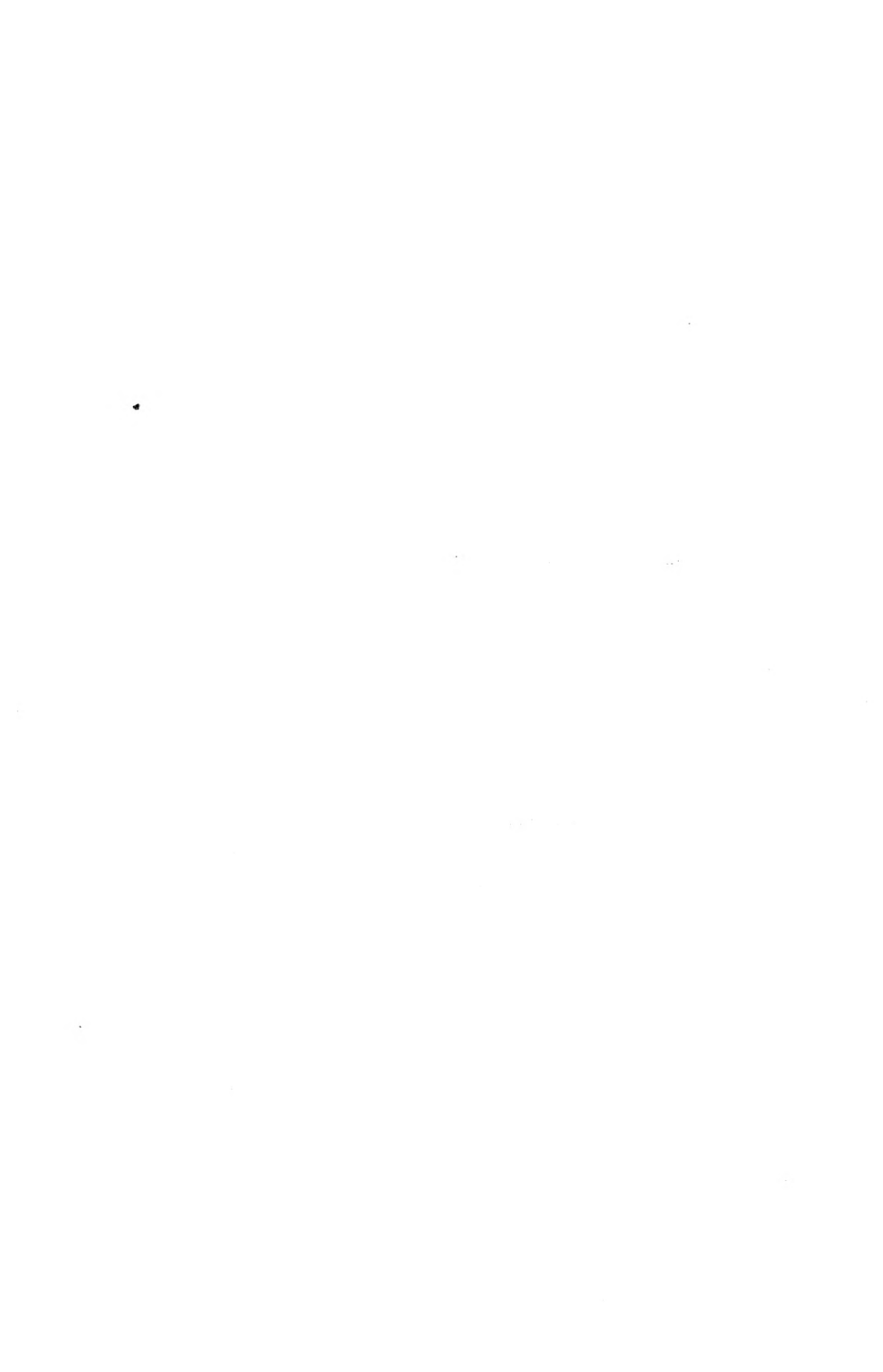
RUTLEDGE PARKER	- - - - -	State Forester (Missoula)
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STATE OF MONTANA

BIENNIAL REPORT OF
THE COMMISSIONER OF STATE LANDS
AND INVESTMENTS

Helena, Montana,
October 15, 1952

To His Excellency, The Governor, and
Members of the Thirty-third Legislative
Assembly of the State of Montana

In compliance with the duty imposed upon me by Section 81-206 of the Revised Codes of Montana, 1947, I herewith submit the Biennial Report of the Commissioner of State Lands and Investments for the two-year period beginning July 1, 1950 and ending June 30, 1952. In this report the Commissioner endeavors to present to the Governor and the Legislative Assembly a clear and concise statement of all moneys received from all sources during this period and the distribution thereof to the various educational funds to which they belong. The report shows the amount of money received designated by law as interest and income and the distribution thereof to the common schools and other educational institutions and it also shows the amount of money received and allocated to the various permanent funds. Comparative statements are given showing the growth in the income of this department from 1896 to the end of the last fiscal year, June 30, 1952.

Respectfully submitted,

W. P. PILGERAM,
Commissioner.

OFFICERS OF STATE LAND DEPARTMENT FROM 1891 TO JULY 1, 1927

YEAR	STATE LAND BOARD					REGISTER OF STATE LANDS	STATE LAND AGENT	STATE FORESTER
	Governor	Supt. Public Inst.	Sec'y. of State	Atty. General				
1890-1892	Jos. K. Toole	John Gannon	L. Rotwitt	H. J. Haskell		S. A. Swigert	Granville Stuart	
1893-1894	John E. Rickards	E. A. Steere	L. Rotwitt	H. J. Haskell		H. D. Moore	R. O. Hickman	
1895-1896	John E. Rickards	E. A. Steere	L. Rotwitt	H. J. Haskell		(Thos. D. Long	J. M. Page	
1897-1900	Robt. B. Smith	E. A. Carleton	T. S. Hogan	C. B. Nolan		John P. Schmitt	Henry Neill	
1901-1904	Jos. K. Toole	W. W. Welch	Geo. M. Hays	James Donovan		F. H. Ray	Henry Neill	
1905-1908	Jos. K. Toole	W. E. Harmon	A. N. Yoder	Albert J. Galen		Sidney Miller	C. A. Whipple	C. W. Jungberg
1909-1912	Edw. L. Norris	W. E. Harmon	T. M. Swindlehurst	(Albert J. Galen		Sidney Miller	Geo. W. Cook	John C. Van Hook
1913-1916	S. V. Stewart	H. A. Davsee	A. M. Alderson	D. M. Kelly		H. V. Bailey	C. A. Whipple	John C. Van Hook
1917-1920	S. V. Stewart	May Trumper	C. T. Stewart	S. C. Ford		I. M. Brandford	C. A. Whipple	John C. Van Hook
1921-1924	Jos. M. Dixon	May Trumper	C. T. Stewart	(W. D. Rankin				R. P. McLaughlin
1925-1927	J. E. Erickson	May Trumper	C. T. Stewart	L. A. Foot				Rutledge Parker

OFFICERS OF DEPARTMENT OF STATE LANDS AND INVESTMENTS FROM JULY 1, 1927 TO JUNE 30, 1952

YEAR	STATE BOARD OF LAND COMMISSIONERS					Commissioner State Lands & Investments	Chief Field Agent	State Forester
	Governor	Supt. Public Inst.	Sec'y. of State	Atty. General				
1927-1928	J. E. Erickson	May Trumper	(William Powers (J. W. Mountjoy	L. A. Foot		I. M. Brandford	L. E. Choquette	Rutledge Parker
1928-1932	J. E. Erickson	Elizabeth Ireland	W. E. Harmon	L. A. Foot		I. M. Brandford	L. E. Choquette	Rutledge Parker
1932-1936	F. H. Cooney	Elizabeth Ireland	Sam W. Mitchell	Raymond Nagle		I. M. Brandford	L. E. Choquette	Rutledge Parker
1936-1937	Elmer Holt	Elizabeth Ireland	Sam W. Mitchell	(Ehor K. Matson				
1937-1941	Roy E. Ayers	Ruth Reardon	Sam W. Mitchell	H. J. Freebourn		N. B. Sherlock	H. C. Bierling	Rutledge Parker
1941-1942	Sam C. Ford	Elizabeth Ireland	Sam W. Mitchell	(John W. Bonner		J. W. Walker	W. J. Burton	Rutledge Parker
1942-1943	Sam C. Ford	Elizabeth Ireland	Sam W. Mitchell	(H. Gulickson		J. W. Walker	W. J. Burton	Rutledge Parker
1943-1944	Sam C. Ford	Elizabeth Ireland	Sam W. Mitchell	(R. V. Bottomly		J. W. Walker	W. J. Burton	Rutledge Parker
1944-1945	Sam C. Ford	Elizabeth Ireland	Sam W. Mitchell	R. V. Bottomly		J. W. Walker	W. J. Burton	Rutledge Parker
1945-1946	Sam C. Ford	Elizabeth Ireland	Sam W. Mitchell	R. V. Bottomly		J. W. Walker	W. J. Burton	Rutledge Parker
1946-1947	Sam C. Ford	Elizabeth Ireland	Sam W. Mitchell	R. V. Bottomly		J. W. Walker	W. J. Burton	Rutledge Parker
1947-1948	Sam C. Ford	Elizabeth Ireland	Sam W. Mitchell	R. V. Bottomly		J. W. Walker	W. J. Burton	Rutledge Parker
1948-1949	John W. Bonner	Mary M. Condon	Sam W. Mitchell	Arnold H. Olsen		W. P. Pilgeram	H. C. Bierling	Rutledge Parker
1949-1950	John W. Bonner	Mary M. Condon	Sam W. Mitchell	Arnold H. Olsen		W. P. Pilgeram	J. B. Bourassa	Rutledge Parker
1950-1951	John W. Bonner	Mary M. Condon	Sam W. Mitchell	Arnold H. Olsen		W. P. Pilgeram	J. B. Bourassa	Rutledge Parker
1951-1952	John W. Bonner	Mary M. Condon	Sam W. Mitchell	Arnold H. Olsen		W. P. Pilgeram	J. B. Bourassa	Rutledge Parker

General Information

Under the Enabling Act approved by Congress February 22, 1889, there was granted to the State of Montana sections 16 and 36 in every township within the state for common school support. If any of these sections had been previously homesteaded or otherwise disposed of, contiguous lieu lands were granted in place thereof. This Act fixed the selling price of grant lands at a minimum of \$10.00 per acre, but this Act was later modified by Congress and the price of land suitable for agriculture was fixed at \$10.00 an acre and grazing lands at a minimum price of \$5.00 per acre. This is the minimum authorized sale price; however, authority was vested in the State of Montana to have all such lands appraised at their true value.

Under this Act the following federal land grants were made to the State of Montana:

Grant	Acres
Public School.....	5,188,000.00
State University.....	46,720.00
Agricultural College—Morrill Grant.....	90,000.00
Agricultural College—Second Grant.....	50,000.00
School of Mines.....	100,000.00
State Normal School.....	100,000.00
Deaf and Dumb Asylum.....	50,000.00
State Reform School.....	50,000.00
Public Buildings (State Capitol).....	182,000.00
Soldiers' Home.....	1,275.61
"Militia Camp" now used as an Agricultural Experiment Station.....	640.00
Agricultural and Manual Training School.....	2,000.00
State Penitentiary.....	9.75

The Constitution of the State of Montana provides that the Governor, Secretary of State, Attorney General and Superintendent of Public Instruction shall constitute the State Board of Land Commissioners. They shall have direct control of all state lands and lands granted or which may hereafter be granted for the support and benefit of the various educational institutions of the State of Montana.

The State Legislature created the Department of State Lands and Investments to administer the lands conveyed to the State of Montana by the Enabling Act as shown above and in lieu lands later received from the Department of the Interior. The law setting up this department provides for the appointment of a Commissioner as the administrative officer of the department. The Commissioner is authorized by law to appoint a chief field agent, cashier, secretary and such other personnel as may be needed to properly perform the administrative duties of his office.

In accordance with the provisions of the Enabling Act, necessary laws have been passed by the Legislature relating to the administration of the land department. Provision was made for the annual distribution of all the income received from these lands. The net rental income from grazing, agriculture and oil leases, together with interest on outstanding land contracts, and interest earned on bond investments, after statutory deductions, is distributed annually to the various counties of the state on the basis of children of school age. Thereafter this money is again redistributed by the County Superintendents to the common schools of the counties. The income from other grant lands are also made available to assist in defraying operating expenses of those institutions.

The Enabling Act also provided that all money received from the sale of lands belonging to the common school and other grants, from the sale of timber, oil royalties and other minerals be placed in a permanent fund credited to the common school and other grants and that the same be invested in United States Government bonds, bonds of the State of Montana, counties, cities and school districts within the state, and the interest received from these investments be distributed annually along with other income to the proper land grant institutions.

There has been a gradual increase in the income received by this department from the various land grants from the time of its creation up to

the present time. The growth for the last fifty-five years is best illustrated by the following table:

1897	Total receipts of permanent funds and interest and income funds for the fiscal year.....	\$ 101,755.98
1907	Total receipts for all funds	829,480.06
1927	" " " " "	2,287,277.17
1948	" " " " "	3,856,612.38
1949	" " " " "	4,100,656.85
1950	" " " " "	3,698,375.26
1951	" " " " "	5,199,749.91
1952	" " " " "	11,146,605.17

School lands have been very much in demand for the past several years. There is a great deal of competition for both grazing and agricultural leases. Applications are continually being received for the purchase of state lands and a number of acres are sold each year. Before the State Board of Land Commissioners will authorize the sale of any tract careful consideration is given to the future investment of the amount received as to what interest income might be anticipated from the investment thereof. The price per acre must be high enough so that the total purchase price invested at a reasonable rate of interest will produce more than the grazing rental. This is also true as to agricultural lands. No application for the purchase of agricultural land will be considered by the Land Board unless it is accompanied by an initial bid per acre sufficiently high to insure that the amount received from the sale invested at a fair rate of interest will produce an annual income in excess of the average annual agricultural income taken over a period of five years.

Receipts from land sales are added to the permanent funds and which are invested in bonds. At the present time there is invested in bonds of the type specified by statute the sum of \$28,500,292.93 as of June 30, 1952.

Land sales have materially reduced the acreage in the common school grant and in the other grants, but this reduction is more than offset by the increase in the permanent fund status of each grant.

On the following pages are given detailed statements of the different sources of income.

GROSS INCOME

As stated in previous reports, the gross income of this department is derived principally from grazing rentals, returns from agricultural crop share leases, rentals from oil and gas leases, interest received on certificates of purchase covering deferred payments on land sales and interest received on the investment of permanent funds. After deductions provided by statute have been made, the balance of this money is distributed at the end of each calendar year to the common schools of the state on a school age per capita basis as heretofore stated. The income from agricultural leases fluctuates from year to year in accordance with crop conditions existing throughout the state. A favorable crop season shows a substantial increase in receipts, whereas, during dry years there is a proportionate decrease. The income from investments has improved during the last several years due to a higher rate of interest now prevailing. During the last two years the state has invested over a million and a half each year in school district, county and city bonds and also during the last year the commissioner with the approval of the Land Board has purchased \$1,200,000.00 worth of Government Bonds.

The following table gives a comparison of income received by this department for the various funds during the past sixteen years and does not include any additions to the permanent funds:

Gross Income Only for Year Ending:

June 30, 1937.....	\$1,019,368.40
June 30, 1938.....	1,050,325.94
June 30, 1939.....	1,117,175.45
June 30, 1940.....	1,387,448.34
June 30, 1941.....	1,414,719.86
June 30, 1942.....	1,756,649.80
June 30, 1943.....	1,557,881.59

June 30, 1944.....	1,829,809.42
June 30, 1945.....	2,319,047.68
June 30, 1946.....	2,040,982.25
June 30, 1947.....	2,347,399.46
June 30, 1948.....	2,568,997.67
June 30, 1949.....	2,683,190.58
June 30, 1950.....	2,462,238.16
June 30, 1951.....	3,018,219.76
June 30, 1952.....	8,921,237.89

A substantial increase in income from various sources for the common school and all other state institutions of higher education is shown in the above comparison.

There is a clear distinction between Gross Income and Permanent Fund receipts. Permanent fund receipts are derived from the sale of land and timber, oil and gas royalties, coal and other minerals. These receipts yearly increase the status of the Permanent Fund for the common schools and other state institutions and are kept invested through the Montana Trust and Legacy Account. Only the interest received from these investments becomes available for annual distribution.

CROP SHARE RETURNS ON STATE AND MORTGAGE LANDS

The State of Montana having approximately 400,000 acres of land operated on a crop share basis, it is necessary that a large field force be employed in order to give special attention to the collection of crop shares due the state. At the present time we have five deputy field agents assigned during the harvest season to agricultural counties to facilitate the collection of the state's share of all crops. It has become apparent to the administrative officers of this department that the present field force is inadequate to efficiently cover the agricultural areas during the harvest in addition to their regular work of classifying lands and rechecking animal unit ratings on grazing lands.

To give you an idea of the amount of crops received by this department as its share from crop share leases for the fiscal years ending June 30, 1951 and June 30, 1952 and the amount of grazing rentals collected we give you the following summary:

	Income for the year ending June 30, 1951	
	Grazing	Agriculture
Public Schools.....	\$368,689.66	\$991,614.24
State University.....	1,526.86	4,657.75
Agricultural College - Morrill Grant.....	7,211.86	2,650.56
Agricultural College - Second Grant.....	1,620.69	None
School of Mines.....	3,708.53	15,212.16
State Normal School.....	6,937.82	3,477.01
Deaf and Dumb Asylum.....	4,077.25	75.00
State Reform School.....	3,840.55	36.00
Capitol Buildings.....	5,067.05	3,496.09
Soldiers' Home.....	1,527.22	None

	Income for the year ending June 30, 1952	
	Grazing	Agriculture
Public Schools.....	\$492,915.35	\$992,531.39
State University.....	2,315.15	3,927.48
Agricultural College - Morrill Grant.....	9,120.70	2,190.12
Agricultural College - Second Grant.....	2,351.60	None
School of Mines.....	5,646.48	14,436.71
State Normal School.....	7,869.00	8,266.13
Deaf and Dumb Asylum.....	4,226.85	None
State Reform School.....	4,504.82	646.86
Capitol Buildings.....	7,475.94	3,155.98
Soldiers' Home.....	1,529.77	None

The above summaries do not include grazing rentals collected by the State Forester. These collections are shown separately in the Interest and Income tables on the following pages.

SUBLEASING OF STATE LANDS

The 1945 Session of the State Legislature by Chapter 207 amended Section 81-419 relating to subleases so that a sublease on state owned land must now be approved by the Commissioner and a copy of the sublease placed on file in the State Land Office. No sublease on state land may legally be made at a rental in advance of that paid by the original lessee to the state. This statutory provision has successfully eliminated speculation in state land leases by absentee landlords and has given protection to permanent residents of the state. Every precaution is being made to protect the actual users of state lands because they are the persons entitled to all the benefits to be derived therefrom.

CO-OPERATIVE STATE GRAZING DISTRICTS

In preceding biennial reports reference has been made to the creation of such grazing districts under Chapter 208 of the 1939 Session Laws. This chapter also provided for the creation of the Montana Grass Conservation Commission and provided the procedure for organizing co-operative state grazing districts. Under this plan certain units of grazing lands in which state lands may be included are supervised by the districts thus created and are apportioned to members in such a manner as to enforce the conservation of state pasture resources, not only by prevention of over-grazing but by developing stock water in dry areas. Grazing districts are required by law to lease all vacant state lands within their boundaries and there are now in existence 22 grazing districts in which there is included 337,410.51 acres of land after deducting 7,680 acres sold since the last biennial report was issued.

The Department of State Lands is co-operating with the Grass Conservation Commission in the program of rehabilitating over-grazed areas, developing stock water in dry regions and general conservation policies calculated to stabilize the stock industry and to preserve the state's grass resources.

FIELD DEPARTMENT

As heretofore stated appraisals and classifications of state lands are made by five deputy field agents, who report and file their permanent records with the Chief Field Agent semi-monthly. In addition to this work they make special inspections when requested by the Chief Field Agent or Commissioner, continually make land use investigations, and in the fall are assigned to checking crops in agricultural areas, and also to assist in the collection of crop shares due the state.

Changing all state grazing leases to an animal unit basis has involved a great deal of work for the field department. Every tract of state grazing land had to be carefully inspected and given an animal unit rating to conform to Chapter 4 of the Revised Codes of 1947. This meant that five fieldmen had to carefully go over more than four million acres of grazing land, determine the extent of grass coverage and apply the animal unit rating. To comply with the new grazing law this had to be accomplished within a limited time. An effort is now being made to recheck as much as possible of the animal unit rating in order that this classification may be placed on a sound basis for future use. Mention has been made on the foregoing pages of the volume of work required of the field department and the inadequacy of a five-man force to efficiently cover the state. Montana is a large state and ten men would not be too many to properly and effectively cover the area each year, when you take into consideration the seeding and harvesting of an annual crop which produces to the state as its share around a million dollars a year.

INVESTMENT OF PERMANENT FUNDS AND INTEREST AND INCOME FUNDS

Under our statutes permanent funds of the common schools of the state and permanent funds of other state institutions can only be invested in United States Government bonds, bonds of the State of Montana, general obligation bonds of political subdivisions of the state and interest bearing warrants of the General Fund of the state and of the counties. The legality of all proceedings for the issuance of school district, city and county bonds

must be approved by the Attorney General before the State Board of Land Commissioners make the final purchase.

During the past year the U. S. Treasury has made two separate offers to exchange 2¾ % bonds for bonds now held by the state that would mature in a few years. The Commissioner with the approval of the Land Board has exchanged \$19,500,000.00 worth of 2½ % bonds for an equal amount of 2¾ % bonds that will mature 1975-80. The additional one-quarter of one per cent will add to the interest earnings of bond investments the sum of \$48,750.00 annually.

This year the discovery of oil in eastern Montana caused a large demand for oil leases on state lands in that area. The issuance of oil leases within this zone at large bonus rentals for the first year has added to the Interest and Income fund over \$5,500,000.00 which together with usual income produced a large balance of idle money for the greater part of the calendar year. The Commissioner obtained the approval of the Land Board and has invested \$5,000,000.00 in short term U. S. Treasury Certificates drawing 1¾ % interest. This investment will add an additional \$68,000.00 to the Interest and Income Fund for annual distribution.

MONTANA TRUST AND LEGACY FUND

We have discussed this consolidated fund in several preceding issues of the biennial report. This fund was created by an amendment to Article XXI of the Constitution to simplify the investment of permanent funds belonging to the common school and other educational institutions that had received land grants under the Enabling Act. On January 31, 1941, when this law went into effect the State Treasurer transferred all Permanent Fund cash balances then on hand to the Montana Trust and Legacy Cash Account for investment. The investments held by these funds prior to this transfer remained as they were for future redemption and liquidation. Before this law went into effect all fund cash balances were kept separate and separately invested. Investment in a large bond issue had to be split up among several funds and this caused a complicated and inconvenient situation. Under the unified investment plan all receipts for the permanent funds of the various institutions are transferred to the common fund at the end of each month. Eventually as investments now held by the separate funds are redeemed, the entire amount of each fund will become a part of the Montana Trust and Legacy Permanent Fund. In the meantime the income from the outstanding investments not part of the common fund goes direct to the institutions concerned. The income from the pooled investments in the common fund goes into the Montana Trust and Legacy Interest and Income Fund from which it is distributed quarterly to the various funds on the basis of the average balance each fund had in the common fund for the past 90 days.

The unified system established by the above mentioned constitutional amendment, and now in use, has greatly simplified the investment of permanent funds and the distribution of interest earnings.

TABLE NO. I
INCOME FROM ALL SOURCES DURING JULY 1, 1950 TO JUNE 30, 1951

Institutions and Funds to Which Income Belongs	Rentals on Agri. and Grazing Leases	Grazing Fees Collected by State Forester	Rentals on Oil and Gas Leases	Interest on Land Sales (C. P. S.)	Interest on Farm Mortgages	Interest on Bonds	Benefit Payments from U. S. and Counties	Earned Interest in M. T. & L.	Fees and Penalties	TOTALS
State General Fund	10.00	%	\$	\$	\$	\$	\$	\$	‡ \$2,005.00	\$
Public School	1,360,303.90	6,284.26	251,497.45	83,480.63	40,728.70	19,785.08	676.38	430,670.80	‡‡ 1,054.12	\$ 124,286.36
State University	6,184.61	115.00	2,133.50	227.77		1,130.65	9.54	10,652.10	‡‡‡ 114,217.21	2,182,827.20
Agri. College—Morrill										29,153.17
Grant College	9,862.12	1,387.65	599.90	1,059.49		872.35	* 590.01	15,958.10		30,329.92
Agri. College—Second										
Grant	1,620.69	148.69		334.94		981.10	\$ 12.02	5,616.70		8,744.14
School of Mines	18,920.69	931.18	501.55	1,525.88		2,827.00		17,807.30		12,513.60
State Normal Schools	10,114.83	212.06	200.40	1,425.17		2,361.25	514.68	14,509.30		29,637.69
Defunct and Dumb										
Agri. School	1,152.25	575.28		239.88		781.79		7,618.90		13,368.10
State Reform School	3,876.52	313.82	311.83	192.23		1,858.63		5,300.10		11,853.16
Capitol Buildings	8,563.14		1,682.96	702.40			** 198.92	6,950.70		18,099.12
Soldiers' Home	1,527.22							95.80		1,622.82
Montana Trust and										
Legacy Fund										
Veterans' Memorial										
State Farm Loan										
Sinking Fund										
O. H. & T. F.										
TOTALS	\$1,425,436.30	\$ 9,967.94	\$ 2,76,928.59	\$ 89,350.58	\$314,047.33	\$ 564,557.91	\$ 1,570.48	\$355,402.90	\$124,276.36	\$3,321,538.59
GRAND TOTAL, Not Including Farm Loan Sinking Fund										\$3,018,219.76

** Tax.

‡‡ Boxing Match.

‡ R/W.

‡‡ F.

‡ P.
§ From F. L. Skg. Fund.‡ Party.
* Refund.

TABLE NO. II
INCOME FROM ALL SOURCES DURING JULY 1, 1951 TO JUNE 30, 1952

Institutions and Funds to Which Income Belongs	Rentals on Agri. and Grazing Leases	Grazing Fees Collected by State Forester	Rentals on Oil and Gas Leases	Interest on Land Sales (C.P.S.)	Interest on Farm Mortgages	Interest on Bonds	Benefit Payments from U. S. and Counties	Earned Interest in M. T. & L.	Fees and Penalties	TOTALS
State General Fund	\$ 720.00	\$	\$	\$	\$	\$	\$	\$	\$	\$
Public School	1,485,146.94	7,887.94	5,719,457.97	110,309.18	\$2,371.98	16,118.71	9199.37	552,863.70	385,273.57	91,196.27
State University	6,242.65	205.00	12,813.50	715.25		924.48	*43.26	12,203.10		1,894,658.79
Agri. College—Morrill										33,147.22
Grant	11,310.82	1,397.15	599.90	4165.99		699.25	*120.00	19,619.90		34,913.01
Agri. College—Second										
Grant	2,351.60	149.69		279.70		858.34		6,751.10		10,390.43
School of Mines	20,083.22	1,016.28		2,432.34		2,448.96		21,045.90		17,926.70
State Normal Schools	16,135.13	254.89	830.40	2,253.95		2,571.13	*1.65	18,418.70		10,470.95
Deaf and Dumb										
Asylum	4,226.85	650.49		245.16		568.55		9,216.60		14,877.65
State Reform School	5,151.68	1,258.46		138.86		1,435.08		6,378.30		14,322.38
Capital Buildings	10,634.92		563.71	581.01			*8319.40	17,849.00		29,945.04
Soldiers' Home	1,529.77							110.30		1,640.27
Montana Trust and Legacy Fund										705,071.54
Veterans' Memorial						705,074.51				345.01
State Farm Loan Sinking Fund					527,020.90	285.38	*459.66			527,020.90
O. R. & T. B.						15.60		111.00		129.60
TOTALS	\$1,563,830.56	\$ 12,819.90	\$5,731,265.48	\$118,090.51	\$529,395.88	\$ 731,063.02	\$ 746.31	\$661,570.80	\$ 93,176.27	\$9,148,258.79
GRAND TOTAL, Not Including Farm Loan Sinking Fund										\$8,921,277.89

\$ From F. L. Sigs. Fund
+ Parity.

* Re-fund.
** TAN.

†† Boxing Match.

TABLE NO. III
 RECEIPTS FOR PERMANENT FUNDS FROM ALL SOURCES DURING JULY 1, 1950 TO JUNE 30, 1951

Institutions and Funds to Which Receipts Belong	Land Sales First Payments	Installments on Land Sales (C. P.'s)	Timber Sales by State Forester	Oil and Gas Royalties	Coal, Sand and Gravel Royalties, Etc.	Total of These Initial Payments	Repayments on Mortgages	Repayments on Bonds	Escheated Estates	GRAND TOTALS
R. W.	\$ 3,457.17	\$	\$ 4367.00	\$	\$	\$	\$	\$	\$	\$
Public Schools	+102,985.25	169,900.30	545,186.65	122,257.53	24,896.53	1,186,079.66	\$353,243.94	109,623.47	29,480.05	1,678,727.12
State University, R/W	217,019.83	845.34	26.20		615.81	1,539.66		5,424.53		6,964.19
Agri. College—Morrill Grant	52.31									
Agri. College—Second Grant		12,247.13	93,887.18	233.41		106,367.72		7,511.28		113,879.00
R/W		342.70	12,153.11		300.39	12,796.20		3,479.30		16,275.50
School of Mines	65.15									
R/W	7,679.25	909.76	26,671.13		243.62	35,568.91		10,091.28		45,660.19
State Normal Schools	12.12									
R/W	3,578.48	539.43	48,032.64			52,162.67		16,862.99		69,025.66
Deaf and Dumb Asylum	850.00									
State Reform School	1,410.00	160.56	23,323.27			25,773.83		7,867.82		33,611.65
R/W	166.74	1,739.89	12,262.48			14,169.11		8,834.69		23,003.80
Capitol Buildings	8.85									
Soldiers' Home	5,008.26	3,413.76	349,532.00	3,348.34	346.34	361,657.55				361,657.55
Montana Trust and Legacy Fund										
Veterans' Memorial										
State Farm Loan Sinking Fund										
O. H. & T. B.		2,690.85		3,677.66	185.00	3,862.66	56,791.15			60,653.81
						2,690.85				2,690.85
TOTALS	\$ 342,333.41	\$192,789.72	\$1,111,441.06	\$129,516.94	\$ 26,587.69	\$1,802,668.82	\$410,035.09	\$330,192.39	\$ 29,480.05	\$2,572,376.35
GRAND TOTAL, Not Including Farm Loan Sinking Fund										\$2,511,722.54
+ 5% of 1950 income.				‡ Collected by this department.					§ From Farm Loan Sinking Fund.	

TABLE NO. IV
 RECEIPTS FOR PERMANENT FUNDS FROM ALL SOURCES DURING JULY 1, 1951 TO JUNE 30, 1952

Institutions and Funds to Which Receipts Belong	Land Sales First Payments	Installments on Land Sales (C. L. S.)	Timber Sales by State Forester	Oil and Gas Royalties	Coal, Sand and Gravel Royalties, Etc.	Total of These Initial Payments	Repayments on Mortgages	Repayments on Bonds	Escheated Estates	GRAND TOTALS
R/W	\$ 3,401.36	\$	\$	\$	\$	\$	\$	\$	\$	\$
Public Schools	145,602.94	188,984.07	393.00	101,234.81	10,875.83	1,277,696.81	\$331,444.10	75,027.16	53,360.76	1,737,528.83
State University R/W	136,463.12	1,473.21	690,741.68		94.75	1,917.96		5,447.38		7,365.34
Agri. College—Morrill Grant	50.00									
Agri. College—Second Grant		3,116.19	50,347.58	175.30		53,639.07		2,107.83		55,746.90
Grant R/W	19.85	1,916.22	27,219.26		43.90	29,199.23		2,537.66		31,736.89
School of Mines R/W	25.00	14,359.40	14,123.35		182.16	28,689.91		7,086.02		35,775.33
			415.00							
State Normal Schools	3,340.14	23,078.68	30,831.60			57,365.42		13,612.53		70,877.95
Deaf and Dumb Asylum										
State Reform School		611.87	23,548.05			24,159.92		2,336.33		26,546.25
R/W	34.90	34.69	9,640.49			9,712.08		6,820.74		16,532.82
Capitol Buildings	4,310.96	4,986.69	345,791.76	3,163.36	23.25	358,282.02				358,282.02
Soldiers' Home										
Montana Trust and Legacy Fund										
Veterans' Memorial										
State Farm Loan Sinking Fund				3,203.12			60,018.70			203,283.60
					156.94	3,360.36				1,116.90
TOTALS	\$ 293,250.27	\$238,861.02	\$1,192,651.77	\$107,782.89	\$ 11,376.83	\$1,843,922.78	\$391,462.80	\$319,726.15	\$ 53,360.76	\$2,608,472.49
GRAND TOTAL, Not Including Farm Loan Sinking Fund										\$2,515,093.43

‡ 5% of 1951 income. † Collected by this department. § From Farm Loan Sinking Fund.

TABLE NO. V
RECEIPTS FROM STATE LANDS AND PERMANENT FUNDS BY YEARS

	INCOME AND RECEIPTS FOR PERMANENT FUNDS
Prior to 1896	\$ 172,190.71
During: 1896	38,185.23
1897	101,755.98
1898	126,833.71
1899	200,195.20
1900	200,275.25
1901	293,335.75
1902	363,584.63
1903	388,279.13
1904	389,812.60
1905	357,790.52
1906	651,352.62
1907	829,480.06
1908	805,165.35
1909	434,429.96
1910	826,836.01
1911	659,771.74
1912	1,306,892.75
1913	1,223,857.96
1914	1,122,295.27
1915	1,219,602.97
1916	1,657,639.21
1917	1,812,812.29
1918	1,828,712.43
1919	2,263,728.95
1920	1,770,070.57
1921 (Dec. 1, 1920 to June 30, 1921)	699,653.74
1922	1,290,891.25
1923	1,108,325.48
1924 (Up to June 30)	1,183,456.66
Total	\$25,663,054.98

	INCOME	RECEIPTS FOR PERMANENT FUNDS	TOTALS
July 1, 1924 — June 30, 1925	\$1,101,763.73	\$ 360,994.55	\$1,462,758.28
July 1, 1925 — June 30, 1926	1,276,841.10	645,211.40	1,922,052.50
July 1, 1926 — June 30, 1927	1,103,869.20	697,056.60	1,800,925.80
July 1, 1927 — June 30, 1928	1,583,485.78	703,791.39	2,287,277.17
July 1, 1928 — June 30, 1929	1,588,916.71	745,245.45	2,334,162.16
July 1, 1929 — June 30, 1930	1,536,961.63	563,716.54	2,100,681.17
July 1, 1930 — June 30, 1931	1,314,364.67	344,701.33	1,659,066.00
July 1, 1931 — June 30, 1932	1,029,005.16	255,130.44	1,275,135.60
July 1, 1932 — June 30, 1933	922,896.98	173,472.02	1,166,369.00
July 1, 1933 — June 30, 1934	1,085,331.20	238,733.90	1,324,065.10
July 1, 1934 — June 30, 1935	1,267,699.79	315,898.07	1,583,597.86
July 1, 1935 — June 30, 1936	1,236,095.95	135,922.52	1,672,018.47
July 1, 1936 — June 30, 1937	1,019,368.40	337,058.84	1,356,427.24
July 1, 1937 — June 30, 1938	1,050,325.94	285,795.79	1,336,121.73
July 1, 1938 — June 30, 1939	1,117,175.45	273,904.91	1,391,080.36
July 1, 1939 — June 30, 1940	1,387,148.34	395,265.34	1,782,413.68
July 1, 1940 — June 30, 1941	1,414,719.86	508,113.28	1,922,833.14
July 1, 1941 — June 30, 1942	1,756,649.80	715,627.16	2,472,276.96
July 1, 1942 — June 30, 1943	1,557,881.59	997,898.13	2,555,780.02
July 1, 1943 — June 30, 1944	1,829,809.42	1,338,304.94	3,168,114.36
July 1, 1944 — June 30, 1945	2,319,047.69	1,249,585.80	3,568,633.49
July 1, 1945 — June 30, 1946	2,040,982.25	999,760.45	3,040,742.70
July 1, 1946 — June 30, 1947	2,347,399.46	987,810.62	3,335,210.08
July 1, 1947 — June 30, 1948	2,568,997.67	1,287,611.71	3,856,610.38
July 1, 1948 — June 30, 1949	2,683,190.58	1,417,466.27	4,100,656.85
July 1, 1949 — June 30, 1950	2,462,238.16	1,236,137.10	3,698,375.26
July 1, 1950 — June 30, 1951	3,018,219.76	2,181,530.15	5,199,749.91
July 1, 1951 — June 30, 1952	8,921,237.89	2,225,367.28	11,146,605.17
GRAND TOTAL			\$100,583,122.42

TABLE NO. VI
TOTAL INVESTMENTS MADE DURING FISCAL YEAR
OF JULY 1, 1950 TO JUNE 30, 1951

FUNDS INVESTED	United States Bonds	County and City Bonds	School District Bonds	Totals
Montana Trust and Legacy Permanent Funds	\$1,151,000.00	\$ 95,766.86	\$ 843,808.01	\$2,090,574.87

TABLE NO. VII
TOTAL INVESTMENTS MADE DURING FISCAL YEAR
OF JULY 1, 1951 TO JUNE 30, 1952

FUNDS INVESTED	United States Bonds	County and City Bonds	School District Bonds	Totals
Montana Trust and Legacy Permanent Funds	\$1,200,000.00	\$ 19,531.00	\$1,485,073.87	\$2,704,604.87

TABLE NO. VIII
PERMANENT ASSETS JUNE 30, 1951
SECURITIES

Institutions and Funds to Which the Assets Belong	Value of Unsold Lands at \$10.00 per Acre	Deferred Payments on Land Sales (C. P. S.)	Farm Mortgage Loans	United States Bonds	County, City and Town and S. D. Bonds	Cash With State Treasurer	Totals
Public Schools	\$42,808,632.36	\$2,038,008.59	\$ 331,444.10	\$	\$ 490,526.25	\$	\$45,668,611.24
State University	188,966.10	9,384.72			25,628.04		223,978.86
Agri. College - Morrill Grant	658,352.60	12,981.86			22,079.28		693,413.74
Agri. College - Second Grant	402,356.10	6,376.61			26,304.85		435,037.56
School of Mines	604,844.90	56,459.94			65,484.59		726,789.43
State Normal Schools	683,236.00	50,953.11			77,992.42		812,181.53
Deaf and Dumb Asylum	357,964.50	4,662.68			14,177.05		376,804.23
State Reform School	365,211.40	3,836.53			43,210.22		412,258.15
Capitol Buildings	1,280,812.90	13,962.23					1,293,875.13
Soldiers' Home	12,756.10	None					12,756.10
O. H. & T. B.	650.00	None					650.00
Veterans' Memorial					7,699.47	18,404.17	26,103.64
Montana Trust & Legacy				22,250,000.00	3,092,312.04	1,397,551.68	26,739,863.72
TOTALS	\$47,363,782.90	\$2,195,726.27	\$ 331,444.10	\$22,250,000.00	\$3,865,414.21	\$1,415,955.85	\$77,423,323.33

TABLE NO. IV
PERMANENT ASSETS JUNE 30, 1952
SECURITIES

Institutions and Funds to Which the Assets Belong	Value of Unsold Lands at \$10.00 per Acre	Deferred Pay- ments on Land Sales (C. P.'s)	Farm Mortgage Loans	United States Bonds	County, City and Town and S. D. Bonds	Cash With State Treasurer	Totals
Public Schools	\$42,646,842.40	\$3,113,527.02	\$1,737,230.34	\$	\$ 415,499.09	\$	\$47,913,098.85
State University	188,966.10	8,286.36			20,180.66		217,433.12
Agri. College - Morrill Grant	658,352.60	9,865.67			19,971.45		688,189.72
Agri. College - Second Grant	402,356.10	4,460.39			23,767.19		430,583.68
School of Mines	604,844.90	42,100.54			58,398.57		705,344.01
State Normal Schools	682,036.00	28,187.81			61,379.89		771,603.73
Deaf and Dumb Asylum	357,964.50	4,950.81			11,790.72		373,806.03
State Reform School	365,211.40	3,801.84			36,389.48		405,402.72
Capitol Buildings	1,271,124.90	47,748.04					1,318,872.94
Soldiers' Home	12,756.10						12,756.10
O. H. & T. B.	650.00						650.00
Veterans' Memorial					6,282.57	19,890.05	26,172.62
Montana Trust & Legacy				23,450,000.00	4,393,633.31	1,269,075.92	29,112,709.23
TOTALS	\$47,191,105.00	\$3,262,028.51	\$1,737,230.34	\$23,450,000.00	\$5,050,292.33	\$1,288,965.97	\$81,979,622.75

TABLE NO. X
ACCOUNTS CONSTITUTING THE MONTANA TRUST
AND LEGACY FUND

	Amount in Fund June 30, 1951	Amount in Fund June 30, 1952
Public School Permanent	\$22,200,564.50	\$23,937,409.45
State University Permanent	511,063.94	518,429.28
Agricultural College - Morrill Permanent	787,970.31	843,702.21
Agricultural College - Second Permanent	272,335.38	304,037.34
School of Mines Permanent	865,019.79	900,785.72
State Normal School Permanent	722,559.87	793,427.82
Deaf and Dumb Asylum Permanent	373,703.11	400,249.36
State Reform School Permanent	259,125.00	275,632.82
Capitol Building Fund	509,454.27	897,681.33
Soldiers' Home Permanent	4,629.14	4,629.14
Ryman E. S. Library	7,500.00	7,500.00
Ryman Fellowship permanent	11,672.35	11,672.35
Ryman Fellowship Interest and Income	822.20	822.20
Ryman Student Loan Permanent	37,662.98	37,662.98
Ryman Student Loan Interest and Income	8,218.13	9,312.43
W. W. Dixon Endowment	23,170.00	23,170.00
Orphans' Home and T. B. Society	10,935.84	11,194.54
Senator Walsh Endowment	5,000.00	5,000.00
Land Office Unclaimed Balance	698.70	714.50
University Scholarship Prizes:		
Aber Memorial	1,050.00	1,050.00
Bennett Prize	857.50	857.50
Bonner Scholarship	6,570.00	6,570.00
C. A. Duniway Scholarship	400.00	400.00
Ann Lewis Joyce Memorial	251.00	251.00
Class of 1904	502.00	502.00
Kellogg Foundation Medical Scholarship	1,738.69	1,568.89
Soldiers' Home Welfare	5,178.78	4,829.53
State Prison Inmates' Fund	5,000.00	5,000.00
Kellogg Foundation Loan Funds	2,070.40	2,117.70
Howard H. Johnson School of Law Scholarship Fund	748.20	768.30
Student Union, State University	52,526.80	53,778.90
Associated Students Reserve, State University	33,115.60	33,904.30
University Field House	807.50	827.60
Frontier Writing Award, State University	1,415.44	1,449.44
Residence Hall and Family Housing Funds, State University	10,353.30	10,599.00
Silas R. Thompson Scholarship Fund	5,141.00	5,164.90
TOTALS	\$26,739,863.72	\$29,112,709.23

TABLE NO. XI
SUMMARY OF GRANT LAND SALES FOR THE YEAR ENDING JUNE 30, 1951
Acres Sold

County	Public School	Public Bldgs.	Univ.	Deaf and dumb	State Reform School	State Normal School	School of Mines	General Fund	Total Acreage	Total Sales Price	Average Price
Beaverhead	1,440.00					796.64	576.02		2,812.66	\$ 66,835.88	\$
Big Horn	4,685.73								4,685.73	102,252.97	
Blaine	640.00								640.00	8,640.00	
Broadwater		317.66							317.66	1,870.54	
Cascade	3,031.73	80.00			311.20				3,423.93	63,312.95	
Chouteau	1,720.00								1,720.00	67,400.00	
Daniels	2,000.00								2,000.00	33,410.00	
Fallon	20.00								20.00	100.00	
Fergus	132.60		320.90						452.60	3,216.00	
Garfield	80.00								80.00	610.00	
Glacier		131.28							131.28	5,513.60	
Hill	1,860.00								1,860.00	18,960.00	
Lake	1,040.00								1,040.00	10,480.00	
Lewis & Clark	240.00			160.00					660.00	5,380.00	
McCone	640.00	260.00							610.00	3,500.00	
Madison	1,298.81								1,298.84	24,656.80	
Missoula	40.71								40.71	369.81	
Park	662.86								662.86	3,311.30	
Phillips	2,189.00								2,480.00	17,840.00	
Pondera	908.45								908.45	21,948.10	
Richland	35.11								35.11	1,439.51	
Rosebud	1,280.00								1,280.00	27,520.00	
Roosevelt	1,476.96								1,476.95	13,963.52	
Sanders	640.00								640.00	8,320.00	
Silver Bow	440.00								440.00	4,840.00	
Stillwater	960.00								960.00	16,720.00	
Sweet Grass	2,496.62								2,496.62	39,585.92	
Teton	3,347.60								3,987.60	148,999.06	
Toole	7,480.82	4.40							7,485.22	212,589.24	
Valley	720.00							.59	720.00	6,880.00	
Yellowstone	40.00								10.59	3,615.00	
TOTALS	11,781.03	793.34	320.00	160.00	311.20	796.64	1,216.02	.59	45,478.82	\$975,803.53	\$21.43

In addition to the above grant lands, there were sold during this period 7,306.12 acres of mortgaged lands, at a total purchase price of \$110,871.40.

TABLE NO. XII
SUMMARY OF GRANT LAND SALES FOR THE YEAR ENDING
JUNE 30, 1952
Acres Sold

County	Public School	Public Bldgs.	State Normal School	Total Acreage	Total Sales Price
Blaine	400.00	.....	.....	400.00	\$ 12,640.00
Broadwater	353.99	.....	.....	353.99	1,769.95
Carter	179.30	.....	.....	179.30	2,151.60
Cascade	1,600.00	.....	.....	1,600.00	145,500.00
Chouteau	1,280.00	.....	120.00	1,400.00	43,880.00
Daniels	2,240.00	.....	.....	2,240.00	45,120.00
Dawson	35.00	.....	.....	35.00	175.00
Fergus	1,240.53	.....	.....	1,240.53	10,862.62
Gallatin	320.00	960.00	.....	1,280.00	59,920.00
Glacier	640.00	8.06	.....	648.06	12,449.30
Golden Valley	320.00	.....	.....	320.00	16,160.00
Hill	3,800.00	.....	.....	3,800.00	104,140.00
Jefferson	360.00	.....	.....	360.00	3,600.00
Judith Basin	625.00	.....	.....	625.00	25,000.00
Liberty	1,760.00	.....	.....	1,760.00	67,200.00
McCone	672.31	.....	.....	672.31	29,123.10
Madison	400.00	.....	.....	400.00	11,160.00
Meagher	683.03	.....	.....	683.03	10,846.51
Mineral	160.00	.....	.....	160.00	2,400.00
Missoula	410.00	.....	.....	410.00	18,552.50
Musselshell	1,300.77	.....	.....	1,300.77	63,398.53
Phillips	960.00	.....	.....	960.00	8,160.00
Pondera	3,080.00	.....	.....	3,080.00	376,380.00
Ravalli	160.00	.....	.....	160.00	1,560.00
Richland	163.00	.....	.....	163.00	3,667.50
Rosebud	1,179.20	.....	.....	1,179.20	5,896.00
Sanders	1,040.00	.....	.....	1,040.00	22,080.00
Stillwater	640.00	.....	.....	640.00	11,520.00
Teton	2,640.00	.....	.....	2,640.00	248,800.00
Toole	1,274.00	.74	.....	1,274.74	71,279.00
Treasure	640.00	.....	.....	640.00	8,160.00
Valley	1,360.00	.....	.....	1,360.00	27,920.00
Yellowstone	4,477.86	.....	.....	4,477.86	27,669.30
TOTALS	35,348.99	968.80	120.00	37,437.79	\$1,499,140.91

Average price per acre — \$40.04.

In addition to the above grant lands, there were sold during this period 5,099.83 acres of mortgaged lands, at a total purchase price of \$66,274.20.

TABLE NO. XIV
RIGHT OF WAY DEEDS TO STATE LANDS ISSUED
From July 1, 1950 to June 30, 1952
Deed D-3208 to D-3377, Inclusive

PURPOSE OF RIGHT OF WAY	NUMBER	ACRES	COMPENSATION	FEES
State Highways, Channel Changes and Borrow Pits, County, Forest and Private Roads, Streets and Alleys.....	64	455.24	\$ 5,103.30	\$320.00
Gas Pipe, Electric Power, Telephone, Telegraph Lines, Repeater Station and Substation Sites.....	47	124.25	3,087.50	235.00
Electric Distribution Power Lines, Low Voltage and Rural Electrification.....	32	50.80	160.00	160.00
Irrigation Ditches, Canals, Diversion Dike, Flood and Inundation Rights, Electric Ground Bed, and Cathodic Protection Sites.....	9	45.28	692.15	45.00
School House, Public Recreational Park and Lake Sites.....	5	91.00	3,742.60	25.00
Radio Station Site and Railroad Purposes.....	2	3.11	28.12	10.00
TOTAL.....	159	769.68	\$12,813.57	\$795.00

Right of way not completed.....	1
Right of way not state-owned land.....	1
Right of ways cancelled.....	9
	<hr/>
	11
TOTAL NUMBER OF RIGHT OF WAY DEEDS GRANTED	170

TABLE NO. XV
STATE LAND AGRICULTURAL AND GRAZING LEASES
IN EFFECT JUNE 30, 1952

NAME OF GRANT	Grazing Acreage	Annual Rental	Agricul- tural Acreage	Cash Annual Rental	Acreage Under Crop Share Leases
Public School	3,707,641.77	\$492,915.35	13,133.06	\$10,354.49	389,819.26
University	11,121.79	2,315.15	.....	.....	908.07
Agri. Col. - Morrill Grant	43,852.80	9,120.70	.....	.....	80.00
Agri. Col. - Second Grant	14,133.86	2,351.60	.....	.....	.....
School of Mines	30,498.63	5,646.48	.....	.....	3,335.09
State Normal School	45,560.76	7,869.00	.....	.....	5,726.80
Deaf & Dumb Asylum	20,497.43	4,226.85	.....	.....	.....
State Reform School	25,061.34	4,504.82	.....	.....	103.00
Capitol Buildings	35,092.96	7,475.94	.....	.....	997.03
Orphans' Home and T. B. Society .....	.....	.....	.....	.....	63.05
Soldiers' Home	1,316.77	1,529.77	.....	.....	.....
General Fund	226.86	543.25	.....	.....	.....
TOTALS	3,934,904.97	\$538,498.91	13,433.06	\$10,354.49	401,062.30
<hr/>					
Total acreage under grazing leases	3,934,904.97	.....	.....	.....	.....
Total annual grazing rental .....	.....	\$ 538,498.91	.....	.....	.....
Total acreage under cash agricultural leases .....	.....	.....	13,433.06	.....	.....
Total annual agricultural cash rental .....	.....	.....	.....	10,354.49	.....
Total acreage under crop share leases .....	.....	.....	.....	401,062.30	.....
Income from crop share and cash agricultural leases for year ending June 30, 1952 .....	.....	.....	.....	.....	1,025,154.90
Grand total of acreage under lease for all purposes .....	.....	.....	4,349,400.33	.....	.....
Grand total of income from said acreage .....	.....	.....	.....	.....	\$1,574,008.30
<hr/>					
Average grazing rental per acre				\$.1368	.....
Average cash rental for agricultural land .....				.77	.....

This includes the acreage under lease to Co-Operative State Grazing Districts. As grazing districts are required to lease all the state-owned land within their own boundaries, regardless of its value, the policy has been adopted of leasing the lands in a district at a flat rate, which may be somewhat below the average grazing rate on state lands leased to private individuals. This has resulted in cutting the average rental received on grazing lands but has placed many acres, which have previously lain idle, to supervised grazing use.

MINERAL DEPARTMENT**TABLE NO. XVI****OIL AND GAS LEASES****Leases Issued July 1, 1950 to June 30, 1952**

GRANT	Total No. of Leases	Total Acreage	Total Rental
Public School	1,254	526,291.90	\$5,552,887.87
State Normal School	4	760.55	590.40
School of Mines	1	320.26	240.00
University	8	2,400.00	13,560.00
Farm Loan	112	33,620.83	341,586.86
Total	1,379	563,743.54	\$5,908,865.13
Leases in effect July 1, 1950		155,223.95	
Total acres under lease		718,967.49	
Acres leased July 1, 1950 to June 30, 1951.....			61,144.25
Acres leased July 1, 1951 to June 30, 1952.....			502,599.29

Mineral acres owned by the State, approximately 6,000,000; twelve per cent under lease. Producing leases, 97.

Rentals on all oil leases	\$6,353,237.12
Non-drilling penalties	199,490.81
Royalties	237,299.82
Total	\$6,790,027.76

MINERAL LEASES**Non-metallic:**

Bentonite	\$27,496.12
Barite	320.00
Coal	2,294.31
Sand and Gravel	12,997.45
Rock	168.50
Gold and Silver	320.00
	<u>\$43,596.38</u>

In April, 1951, the discovery of oil in Tioga County, North Dakota, proved the long suspected petroleum potential of the huge Williston Basin. Just how far this basin extends into Montana may not be determined for years but successful exploration near Poplar and Vida, Montana, indicates that the counties of Sheridan, Daniels, Roosevelt, Richland, McCone and Dawson, at least, lie well within it.

This discovery is of almost staggering importance to the schools of Montana. The usual Sections 16 and 36 represent a considerable acreage in an area as large as this, 1/18 in fact, and this acreage is augmented by selection lands. At the time Montana became a state, many Sections 16 and 36, designated by the Enabling Act as school lands, lay within Indian Reservations and National Forest Reserves, or had been homesteaded, and the Department of State Lands and Investments selected other lands in lieu thereof. In Daniels County the State of Montana has title to entire townships, or a large proportion, and in January, 1952, at a five-day sale, ap-

proximately 300,000 acres were leased, bringing nearly 3½ million dollars to the School Fund.

The first lease sale held by the State after the Tioga discovery, was in July, 1951, which means that the entire fiscal year was affected. The fact that during this year 502,599.29 acres were leased as compared with 61,144.25 in the previous year, is significant. Too, leasing and drilling in other parts of the State were stimulated by the excitement in the Basin. An excellent well was developed in the Bowes Field near Chinook and at the end of the fiscal year drilling of a well on state land near Glendive was down 3,000 feet. This well subsequently reached production at 9,100 feet and while actual production has not yet been ascertained, it is known that the oil is 36 gravity, clean and free from water, and that it is a "good" well.

The State owns more than 6,000,000 mineral acres, of which approximately 9% are under lease.

Unless a certain amount of drilling is completed by the end of the second year of a lease, the State Board of Land Commissioners has, under present law, assessed a non-drilling penalty of \$1.00 an acre, in addition to the rental. These penalties totalled nearly \$200,000.00 in the two-year period covered by this report.

TABLE NO. XVII
RENTALS AND ROYALTIES ON GOLD, COAL, SAND AND GRAVEL,
OIL AND GAS LEASES

Collected from December 1, 1918 to June 30, 1952

Fiscal Year Ending	PERMANENT FUNDS		Income Funds	TOTALS
	Gold, Coal, Sand and Gravel Rentals and Royalties	Oil and Gas Royalties	Rentals on Oil and Gas Leases	
Nov. 30, 1919	\$ 11,225.84	\$	\$ 15,243.20	\$ 26,469.04
Nov. 30, 1920	11,486.52	.....	55,901.00	67,387.53
June 30, 1921	4,539.74	.....	29,601.27	34,141.01
June 30, 1922	5,923.20	2,759.71	29,601.27	38,284.18
June 30, 1923	5,148.53	5,132.25	83,430.70	93,711.48
June 30, 1925	1,733.25	8,504.18	33,950.00	44,187.43
June 30, 1926	2,254.64	185,189.46	32,300.00	219,744.10
June 30, 1927	1,334.51	313,997.30	38,260.00	353,591.81
June 30, 1928	2,549.45	155,689.97	92,849.78	251,089.20
June 30, 1929	2,033.90	138,806.57	56,147.89	196,988.36
June 30, 1930	1,810.23	150,471.53	93,279.04	245,560.90
June 30, 1931	1,652.41	61,477.33	59,049.36	122,179.10
June 30, 1932	2,555.00	61,331.76	34,093.94	97,980.70
June 30, 1933	1,880.51	33,701.30	23,671.21	59,253.02
June 30, 1934	2,505.99	44,289.94	31,924.77	78,720.70
June 30, 1935	2,432.19	50,286.88	27,929.97	80,649.04
June 30, 1936	5,018.54	85,272.65	35,844.59	126,135.78
June 30, 1937	5,565.59	64,436.68	26,283.46	96,285.73
June 30, 1938	5,001.53	47,915.07	33,620.24	86,536.84
June 30, 1939	3,518.39	34,728.35	25,809.87	64,056.61
June 30, 1940	4,789.80	53,744.36	27,676.01	86,210.17
June 30, 1941	5,372.25	81,914.30	27,913.57	115,200.12
June 30, 1942	6,048.69	91,963.67	41,957.14	139,969.50
June 30, 1943	4,003.35	100,658.49	82,334.16	186,996.00
June 30, 1944	3,388.70	104,603.68	94,979.99	202,972.37
June 30, 1945	6,178.21	90,640.56	92,508.82	189,327.59
June 30, 1946	10,960.23	143,133.15	86,405.46	240,498.84
June 30, 1947	6,884.65	97,410.54	136,091.57	240,296.76
June 30, 1948	3,826.92	115,931.31	306,926.33	426,684.56
June 30, 1949	4,315.94	133,133.28	309,948.16	447,397.38
June 30, 1950	8,044.80	120,041.84	282,628.99	410,715.63
June 30, 1951	26,587.69	129,516.94	256,928.59	413,033.22
June 30, 1952	11,376.83	107,782.89	5,734,265.48	5,853,425.20
Totals	\$186,187.53	\$2,821,371.75	\$8,379,098.61	\$11,386,658.90

TABLE NO. XVIII
CONDITION OF STATE LOANS AND CONTRACTS
AS OF JUNE 30, 1952

Classification	Acres	Bal. of unpaid Principal
1. A's in effect (amortized mortgages)	913.52	\$ 2,540.99
2. Sales contracts in force	78,821.92	380,644.86
3. Deeded A's	40,080.48	224,261.90
4. Sales contracts cancelled and the lands have not been resold	136,144.51	874,192.93
5. Original loans to which the state has title and the lands have not been resold	166,760.28	1,023,260.15
TOTALS	422,720.71	\$2,504,920.83

Since the original farm loan investment has been liquidated in full we believe a clarification of the above statement should be made. The amortized mortgages listed under Item No. 1 cover lands title to which remains in the mortgagor and has never been vested in the State of Montana. Only four mortgages remain and they are in the last stages of liquidation. Item No. 2 refers to lands taken over by the state either through foreclosure or quitclaim deeds from the owners. These lands have been resold under long term contracts and the acreage covered by these sales has been deducted from the total acreage title to which is vested in the State of Montana and the amount of money represented thereby and the balance due on mortgages is an asset of the farm loan investment.

Title is vested in the State to the acreage shown in Items 3, 4 and 5 amounting to a total of 342,985.27 acres as of June 30, 1952. This constitutes an overplus remaining to the State after the liquidation of the farm loan investment. This land is all under lease for grazing and agriculture and the income derived from the leases and occasional sale of land is applied towards the liquidation of the interest differential in the amount of \$1,737,230.34 heretofore referred to. A more detailed statement of the operation of the farm loan lands is shown by the following table.

TABLE NO. XIX
FARM LOAN LAND AGRICULTURAL AND GRAZING LEASES
IN EFFECT JUNE 30, 1952

Grazing Acreage	Annual Grazing Rental	Cash Rental Agricul- tural Acreage	Cash Agricul- tural Rental	Acres Under Crop Share Lease	Crop Share
262,569.77	\$35,402.79	1,640.02	\$1,020.00	78,775.48	\$200,576.71
					Average Per Acre
Acres under grazing leases			262,569.77		
Annual grazing rentals therefrom				\$ 35,402.79	\$.1343
Acres under cash agricultural rental ..			1,640.02		
Cash agricultural rentals therefrom				1,020.00	.62
Acres under crop share leases			78,775.48		
Crop share returns for year ending June 30, 1952				200,576.71	2.543
			342,985.27	\$236,999.50	

FARM LOAN ACCOUNT

Under an act of the State Legislature Common School Permanent Funds to the amount of \$4,574,443.56 were invested in farm mortgages as shown by the records of the department on January 1, 1927. During the depression period and adverse years from 1929 to 1935 most of these loans became delinquent and the lands covered thereby were either foreclosed or the property quitclaimed to the state by the owners. On January 1, 1935, the records show that lands covered by loans to the extent of \$4,250,625.95 had reverted to the State of Montana and have been handled by this department since that time the same as other grant lands.

All the income from these farm loan lands was placed in a sinking fund and quarterly transfers made to and applied upon the original investment as set up January 1, 1935. Preceding reports have shown the gradual reduction of this investment over a period of years and the rapid reduction during the last eleven or twelve good years. In the month of December, 1951, this investment had been repaid to the Common School Permanent Fund and completely liquidated.

During the 1949 session Chapter 191 was enacted into law which provided that the State Board of Land Commissioners should cause to be computed the total amount of interest to be paid on the Farm Loan mortgages, which was 6%, with credit to be given for the 2% paid during the process of liquidation of the Farm Loan account.

The difference between the 2% paid and the 6% interest rate provided by the mortgages amounts to \$1,737,230.34. The State has farm loan contracts in force covering 82,658.20 acres representing a total of \$394,187.31 and also has on hand approximately 225,000 acres of grazing and agricultural land all under lease. The income from this land and contracts is accumulating in a sinking fund to be applied on the interest obligation shown above. There is on hand in this sinking fund as of June 30, 1952 the sum of \$251,941.72 which has accumulated since about the middle of December, 1951.

TABLE NO. XX

ANNUAL APPORTIONMENT OF THE INCOME FROM THE PUBLIC SCHOOL,
PERMANENT FUNDS AND OTHER SOURCES TO THE
SCHOOL DISTRICTS OF THE STATE

Year in Which Apportioned	Total Income	Less 5% Added to Perma- nent Fund	Amount Appor- tioned	No. of School Age Persons	Amount Per Capita
1889 to 1896	\$	\$	\$ 51,027.60	39,252	\$ 1.30
1897			17,731.56	42,218	.42
1898			28,630.98	46,179	.62
1899			41,561.52	49,478	.84
1900			80,428.50	53,619	1.50
1901			105,842.20	57,212	1.85
1902			138,905.00	61,736	2.25
1903			168,019.80	64,623	2.60
1904			169,786.65	66,583	2.55
1905			183,366.75	69,195	2.65
1906			205,360.60	70,814	2.90
1907			217,494.00	72,498	3.00
1908			227,071.90	73,249	3.10
1909			250,380.00	77,040	3.25
1910			306,793.75	81,545	3.75
1911			266,415.00	88,805	3.00
1912			345,404.50	98,687	3.50
1913			419,096.00	104,774	4.00
1914			513,144.00	114,032	4.50
1915			632,085.00	126,417	5.00
1916			713,291.25	135,865	5.25
1917			810,991.50	147,453	5.50
1918			877,536.00	159,552	5.50
1919			890,873.50	161,977	5.50
1920			969,756.00	161,625	6.00
1921			954,418.20	156,426	6.10
1922			785,082.90	160,211	4.90
1923			936,794.40	160,410	5.84
1924			892,363.54	157,745	5.67
1925	861,278.56	43,063.93	818,214.63	157,872	5.18
1926	1,252,595.83	62,629.79	1,189,966.04	156,383	7.61
1927	1,365,181.09	68,259.05	1,296,922.04	154,458	8.3966
1928	1,233,910.50	61,695.53	1,172,090.55	152,119	7.70509
1929	1,340,903.71	67,045.19	1,273,858.52	157,747	8.07532
1930	1,426,973.50	71,348.68	1,355,624.82	160,846	8.42809
1931	1,143,847.76	57,192.39	1,086,655.37	160,836	6.75629
1932	878,693.71	43,934.69	834,759.02	161,372	5.17288
1933	744,133.56	37,206.68	706,926.88	161,909	4.36619
1934	832,656.52	41,632.83	791,023.69	162,099	4.87988
1935	1,045,713.87	52,285.69	993,428.18	162,807	6.10187
1936	1,058,184.61	52,909.23	1,005,275.38	163,053	6.16532
1937	882,322.17	44,116.11	838,206.06	163,286	5.13361
1938	847,371.91	42,368.60	805,003.31	160,204	5.02486
1939	930,451.92	46,522.60	883,929.32	156,228	5.65794
1940	909,912.64	45,495.63	864,417.01	154,898	5.58955
1941	931,186.34	46,567.00	884,618.34	154,226	5.73586
1942	1,459,171.69	72,958.58	1,386,213.11	149,666	9.26204
1943	1,049,062.14	52,453.11	970,825.62	143,370	6.77146
1944	1,352,644.88	67,632.24	1,285,012.64	136,489	9.41477
1945	1,460,473.54	73,023.68	1,387,449.86	134,608	10.30733
1946	1,351,689.87	67,584.49	1,284,105.38	133,789	9.59798
1947	1,189,901.69	74,495.08	1,115,406.61	135,637	10.43511
1948	1,517,961.90	75,898.10	1,442,063.80	137,203	10.51053
1949	2,226,013.49	111,300.62	2,114,711.87	139,846	15.1217
1950	1,547,748.55	77,387.43	1,470,361.12	143,852	10.2213
1951	2,059,704.93	102,985.25	1,956,719.68	145,806	13.42
1952	2,912,058.78	115,602.94	2,766,455.84	146,716	18.85

TABLE NO. XXI

**RECEIPTS OF THE PUBLIC SCHOOL INTEREST AND INCOME
ACCOUNT APPORTIONED TO THE COUNTIES OF THE STATE
PER CENSUS PERSON BETWEEN THE AGES OF 6 AND 21**

At the end of each calendar year the interest and income credited to the public schools, less 5% statutory deduction apportioned to the permanent school fund, is distributed by the Superintendent of Public Instruction. On February 15, 1952, the interest and income credited to the public schools during 1951 was distributed to the various counties of the state as follows:

County—	6-21	Amount
Beaverhead	1,440	\$ 27,152.43
Big Horn	3,529	66,542.32
Blaine	2,687	50,665.68
Broadwater	654	12,331.73
Carbon	2,398	45,216.35
Carter	722	13,613.93
Cascade	11,381	214,598.51
Chouteau	1,594	30,056.23
Custer	3,054	57,585.78
Daniels	1,062	20,024.92
Dawson	2,337	44,066.13
Deer Lodge	3,257	61,413.52
Fallon	962	18,139.33
Fergus	3,226	60,828.95
Flathead	8,067	152,110.20
Gallatin	4,806	90,621.24
Garfield	517	9,748.48
Glacier	3,252	61,319.24
Golden Valley	319	6,015.02
Granite	700	13,199.10
Hill	3,761	70,916.87
Jefferson	814	15,348.67
Judith Basin	810	15,273.25
Lake	4,060	76,554.78
Lewis and Clark	5,410	102,010.19
Liberty	570	10,747.84
Lincoln	2,500	47,139.64
Madison	1,336	25,191.43
McCone	847	15,970.91
Meagher	477	8,994.25
Mineral	550	10,370.72
Missoula	7,998	150,809.14
Musselshell	1,106	20,854.57
Park	2,696	50,835.39
Petroleum	218	4,110.57
Phillips	1,965	37,051.76
Pondera	1,952	36,806.63
Powder River	589	11,106.10
Powell	1,432	27,001.59
Prairie	611	11,520.92
Ravalli	3,299	62,205.47
Richland	2,843	53,607.20
Roosevelt	3,446	64,077.28
Rosebud	1,662	31,338.43
Sanders	1,990	37,523.15
Sheridan	1,710	32,243.52
Silver Bow	10,657	200,946.87
Stillwater	1,332	25,116.00
Sweet Grass	881	16,612.01
Teton	1,796	33,865.12
Toole	1,756	33,110.88
Treasure	396	7,466.92
Valley	3,399	64,091.05
Wheatland	798	15,046.98
Wibaux	546	10,295.30
Yellowstone	11,539	271,145.31
TOTALS	146,716	\$2,766,155.81

TABLE NO. XXII

**ADDITIONS TO PUBLIC SCHOOL PERMANENT FUND UNDER
CONSTITUTIONAL PROVISION THAT 5% OF PUBLIC SCHOOL
INTEREST AND INCOME FUND SHALL BE ADDED
ANNUALLY TO PERMANENT FUND**

MONTH TRANSFER WAS MADE	AMOUNT
March, 1921	\$ 7,442.22
March, 1922	41,253.83
March, 1923	49,314.52
March, 1924	46,967.18
March, 1925	43,063.93
March, 1926	53,275.11
February, 1927	68,259.05
February, 1928	61,695.53
April, 1929	67,045.19
March, 1930	71,348.68
April, 1931	57,192.39
April, 1932	43,934.69
March, 1933	37,206.68
February, 1934	41,632.83
January, 1935	52,285.69
January, 1936	52,909.23
January, 1937	44,116.11
May, 1938	42,368.60
January, 1939	46,522.60
February, 1940	45,495.63
January, 1941	46,568.00
January, 1942	72,958.58
February, 1943	52,453.11
January, 1944	67,632.24
January, 1945	73,023.68
January, 1946	67,584.49
December, 1946	74,495.08
December, 1947	75,898.10
December, 1948	111,300.62
December, 1949	77,387.43
December, 1950	102,985.25
December, 1951	145,602.94
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	\$1,941,219.21

TABLE NO. XXIII
COST OF ADMINISTRATION

State Land Office—	July 1, 1950	July 1, 1951
	to June 30, 1951	to June 30, 1952
Salaries:		
Commissioner	\$ 4,500.00	\$ 5,000.00
Other Salaries	33,507.85	33,462.38
Furniture, Equipment and Repairs	1,031.89	500.00
Official Bonds	137.50	157.50
Industrial Accident Insurance	37.81	40.08
Legal Advertising	82.00	495.00
Legal Expense	1,263.31	172.43
Postage	738.70	190.30
Printing	261.31	
Stationery, Record Books and Blanks ..	1,683.45	1,391.17
Travel	910.09	728.48
General Office Supplies and Expense ..	571.84	526.26
Other Operating Expense	664.27	879.36
Public Employees Retirement System	985.54	1,242.57
Totals	\$46,375.66	\$44,785.53
Chief Field Agent—		
Salaries	\$25,166.80	\$28,609.90
Expense	15,579.16	16,462.52
Public Employees Retirement System	772.67	1,028.00
Capital and Repair	549.25	143.80
Totals	\$42,067.88	\$46,244.22

